

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

Paul Simon D/B/A Paul Simon Music,

Plaintiff,

v.

Rhythm USA, Inc. et al.,

Defendants.

Case No. 08-Civ-6440 (CM)

**DECLARATION OF TATSUO KASAMA IN SUPPORT OF
DEFENDANTS' MOTION TO DISMISS
AND/OR MOTION TO TRANSFER**

I, Tatsuo Kasama, declare as follows:

1. I am the director and the Head of Administration of Rhythm Watch Co., Ltd. ("Rhythm Japan"), and have held those positions since June 2007. I am a citizen and resident of Japan.

2. The facts set forth herein are based on my personal knowledge, my review of documents prepared and maintained by Rhythm Japan in the ordinary course of business, and upon information provided by Rhythm Japan employees responsible for and with knowledge of the business of Rhythm Japan. I could, if called to do so, testify to the facts set forth in this Declaration. I make this Declaration in support of defendants' Motion to Dismiss and/or Motion to Transfer.

I. Rhythm Japan Generally

3. Rhythm Japan is a corporation organized and operating under the laws of Japan, with its principal place of business in Japan.

4. Rhythm Japan manufactures and sells clocks, watches, jewelry, information devices, on-vehicle devices, electronic parts, precision molds and mold parts, and other various precision machines. Rhythm Japan exports clocks to the United States, selling them exclusively to Rhythm USA, Inc. ("Rhythm USA"), a subsidiary wholly owned by Rhythm Japan. Rhythm Japan ships clocks to Atlanta, where Rhythm USA's main office and a distribution center is located, and to Los Angeles, where Rhythm USA has another distribution center. This is the only connection that Rhythm Japan has with the United States.

5. Rhythm Japan does not operate in, or conduct business in, the state of New York. Specifically, Rhythm Japan does not promote, deliver, supply, sell, ship, design or manufacture clocks or other goods in New York.

6. Rhythm Japan does not transact business or perform any character of work or service in New York.

7. Rhythm Japan does not operate any business in New York and is not incorporated in New York, nor is Rhythm Japan authorized or registered to do business in New York or in any other state in the United States. Rhythm Japan has not sought registration from any state or Federal agency in the United States.

8. Rhythm Japan has not appointed an agent for service of process in New York or in any other state in the United States.

9. Rhythm Japan has not maintained a registered office in New York pursuant to a certificate of authority from the Secretary of State, nor has it applied for such a certificate of authority anywhere in the United States.

10. Rhythm Japan has no equipment, no assets, no bank or other financial accounts, no post office box, no telephone listings, no employees, no sales representatives, no agents, no offices, no stores, no distribution centers or other places of business in New York.

11. Rhythm Japan does not contract to supply goods, food, services or design or manufacture products in New York.

12. Rhythm Japan has not and does not solicit business from New York or United States customers.

13. Rhythm Japan has not and does not own, lease or rent property in New York or in any other state in the United States.

14. Rhythm Japan has not and does not have an interest in, use or possess real property in New York or the United States.

15. Rhythm Japan has not earned any income in New York.

16. Rhythm Japan has not paid any payroll taxes or franchise fees to New York or any other state in the United States.

17. Rhythm Japan has not and does not contract to insure or act as surety for any contract located, executed or to be performed in New York or the United States.

18. Rhythm Japan has not and does not direct any advertising or marketing to New York or its residents.

19. Rhythm Japan's website has not and does not target New York or United States customers. Rhythm Japan's website is primarily in Japanese, and although there is an English version of the site, the English site is currently under construction. Rhythm Japan's website lists all of its prices solely in Japanese Yen. Customers are not able to purchase goods from Rhythm Japan's website. Rhythm Japan does not design or manufacture any products or services specifically for the New York market.

20. Rhythm Japan's website is maintained from Japan and is hosted in Japan.

21. The only subsidiary that Rhythm Japan has in the United States is Rhythm USA, and Rhythm Japan has no subsidiaries in New York.

22. No director, officer, employee, assistant, agent, broker or wholesaler of Rhythm Japan is or has been a resident of New York while working for Rhythm Japan, and the activities of Rhythm Japan have not been controlled by persons or entities located in New York or the United States.

23. To the best of my knowledge, all of the relevant fact witnesses and documents that Rhythm Japan would rely upon to defend itself in this action are located outside of New York.

24. Rhythm Japan has not been a party to any litigation in any court in New York or the United States, except for this matter.

25. Rhythm Japan does not engage in any persistent course of conduct in New York, nor does it derive any substantial revenue from goods, food, services, or manufactured products used or consumed in New York.

II. Relationship with Rhythm USA

26. As mentioned above, Rhythm Japan exports clocks to the United States and sells them to Rhythm USA, which is the only connection that Rhythm Japan has with the United States.

27. Rhythm USA sells to retailers throughout the United States the clocks it purchased from Rhythm Japan. Sales and shipments are made by Rhythm USA, and not by Rhythm Japan. Rhythm Japan makes no directions to Rhythm USA, nor does Rhythm USA need to obtain approval of Rhythm Japan, regarding promotion, marketing or distribution of the clocks in the United States. Rhythm USA determines its own distribution chain, and Rhythm Japan does not provide any guidance or input regarding this. Rhythm USA does not rely on Rhythm Japan to prepare, provide, or approve Rhythm USA's promotion, advertising or marketing materials.

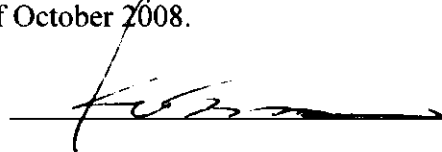
28. Rhythm USA is responsible for handling its own ordinary business activities, and is not required to seek approval from Rhythm Japan before discharging these responsibilities.

29. Rhythm USA does not lease any offices, furniture or equipments from Rhythm Japan. Rhythm Japan does not list Rhythm USA on its letterhead, nor does Rhythm USA list Rhythm Japan on its letterhead.

30. One of Rhythm Japan's directors concurrently serves as Rhythm USA's director, and another Rhythm Japan's director concurrently serves as Rhythm USA's auditor.

31. Rhythm Japan does not pay Rhythm USA's executives or employees. Rhythm Japan does not train Rhythm USA personnel. Rhythm USA pays and trains its personnel.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct, this 24th day of October 2008.

A handwritten signature in black ink, appearing to read 'Tatsuo Kasama', is written over a horizontal line.

Tatsuo Kasama